

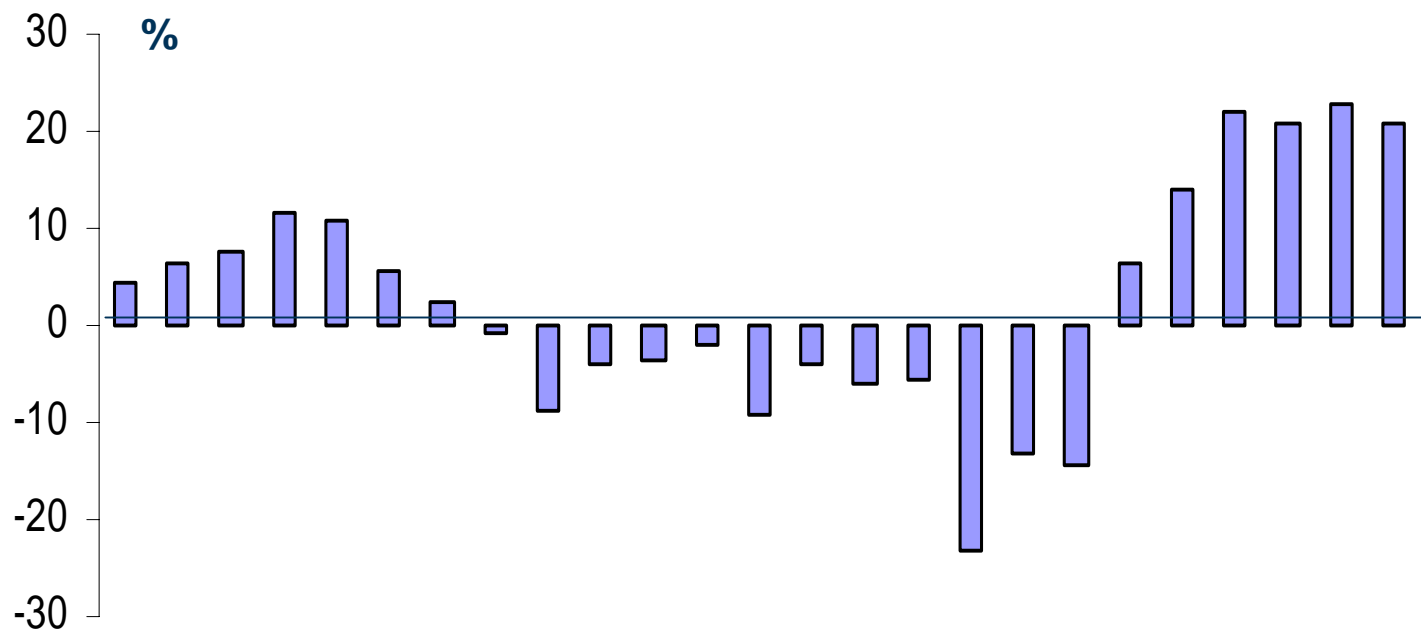
CMD

May 10
2005

KARL-HENRIK SUNDSTRÖM

CFO

Operating margin development 1999-2005



Technology leadership, Global presence and Operational excellence

Certain historical quarters are adjusted for comparability

Group Sales – Q1 2005

(SEK b.)

Region	Q104	Q404	Q105	YoY %
Western Europe	7.9	13.2	10.0	26%
CEMA	7.0	9.9	8.5	20%
North America	4.4	2.8	3.3	-24%
Latin America	2.9	4.5	3.6	24%
Asia Pacific	5.9	9.0	6.1	4%
Total	28.1	39.4	31.5	12%

A truly global company

Financial summary

(SEK b.)

	Q104	Q404	Q105	YoY %
Sales	28.1	39.4	31.5	12 %
Gross margin	44.7%	45.6%	48.5%	
Operating margin	14.0%	22.7%	21.0%	
Income after financial items	3.7	8.7	6.7	81%
EBITDA	20.0%	27.1%	25.7%	

A solid start of the year

All periods according to IFRS rules

Strong financial performance

(SEK b.)

	2003	2004	Q105
Cash flow bef. fin. investing activities	19.5	17.7	1.8*
Payment readiness	75.3	81.4	75.0
In (%)	64	62	60
Net cash	27.0	42.9	43.1
Equity ratio (%)	34.4	43.8	46.5

* Adjusted SEK 8.3 b. for pension trust

Year 2004 has been restated according to IFRS rules

Financial Targets

Attractive growth with best in class margins

- Investment grade with financial capacity for the future

<u>Key Ratios</u>	<u>Target</u>	<u>Current</u>
Days Sales (DSO)	<90	97
Inventory Turns (ITO)	>5.5	4.0
Days Payable	>45	61

Contains forward looking statements

Operational Excellence in focus

Operational Excellence

- step by step



Operational Excellence

- some examples

- Continuous cost reductions
 - SG&A in Market Units from 15% to 5%
- Capacity utilization
 - GSM transceiver production tripled with same staff
 - Global services utilization all time high
- R&D efficiency
 - 50% reduction of R&D, same output
- Organizational streamlining
 - Fewer layers
 - Simplicity, clarity and responsibility

Operational Excellence

- how we measure

Customer satisfaction

Employee satisfaction

Profitability

CMD

May 10
2005

QUESTIONS & ANSWERS